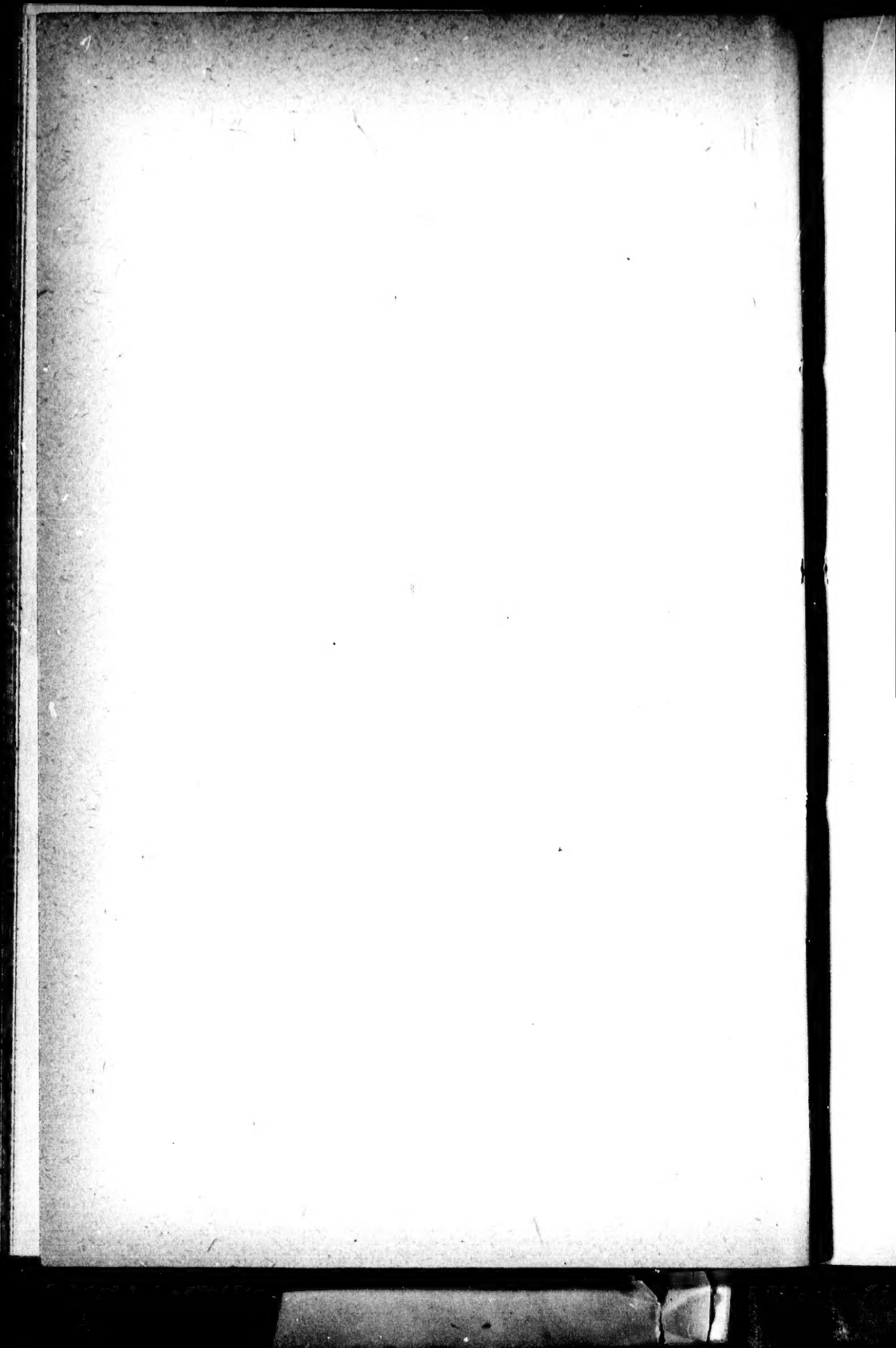


THE  
BUDGET SPEECH  
—OF—  
HON. MR. WÜRTELE,  
Treasurer of the Province of Quebec,  
DELIVERED  
ON THE 15<sup>TH</sup> MAY,  
1882.



---

QUEBEC:  
PRINTED AT THE "MORNING CHRONICLE" OFFICE,  
1882.



# THE BUDGET SPEECH

— OF —

## HON. MR. WÜRTELE,

Treasurer of the Province of Quebec,

DELIVERED on the 15th MAY, 1882.

---

Mr. SPEAKER,—In accordance with the provisions of section 54 of the British North America Act, which forms the written part of our constitution, I place in your hands the message of His Honor the Lieutenant-Governor, recommending to the consideration of this House, the supplementary estimates required to complete the expenditure of the current fiscal year and also the estimates for the expenses of the fiscal year commencing on the 1st of July next.

Before moving that you do leave the Chair and that the House do resolve itself into Committee of Supply, I have to explain to this House the financial position of the Province, to ask it to approve of and vote the amounts required for the current year and also for the wants of the coming one, and finally to show in what manner the Government intends to provide ways and means therefor.

I hope to be able to make my explanation of the budget in a clear and lucid manner, without inflicting too long a speech upon you.

I therefore breach the subject at once.





## PRESENT FINANCIAL POSITION.

The fourteen years which have elapsed, from the Confederation of the Provinces up to the 30th June last, show receipts to the amount of \$29,580,334.45, while, during the same period, the expenses reached the figure of \$30,295,440.41, thus exceeding the receipts by \$715,105.96.\* There remain yet six weeks of the present fiscal year, and I am, therefore, unable to state precisely the amount of its total receipts and expenditure, but it is easy to foresee, approximately, the result of the financial operations of the year.

Owing to the payment of the sum of \$554,146.83, by which Montreal has paid off its municipal loan, I think we will have, this year, a surplus of about \$50,000. Deducting this surplus from the deficit of the fourteen preceding years, we will have on the 30th of June next, a deficit, not for the year, but as a result of the whole period of fifteen years since Confederation, of \$665,105.96.

During those years, we have expended, for the erection or purchase of buildings, the following amounts :

Public Departments.....	\$502,259 00
Jacques Cartier Normal School.....	138,348 02
Government Offices in Montreal.....	16,000 00
	<hr/>
	\$ 656,607 02

On the sums loaned by Government there still remain due the following amounts :

Dorchester Bridge.....	\$ 15,000 00
Beauport Asylum.....	19,000 00
St. Jean de Dieu Asylum.....	51,000 00
	<hr/>
	\$ 85,000 00
Making a total of.....	<hr/>
	\$ 741,607 02

This amount exceeds the deficit by \$76,501.06.

\* See Appendix A—Table No. 1.

Since the 1st July, 1874, the Province has paid, out of ordinary receipts, the sum of \$4,184,417.62 for interest and amortization of loans.

These two facts, the payment of \$741,607.02 for buildings and in loans, and that of \$4,184,417.62 for interest and amortization, exonerate the Conservative Governments, which have managed the affairs of this Province, with only one short interval since Confederation, from those charges of extravagance in the management of public business, which some persons are in the habit of bringing against them; for, without the payment of these amounts for buildings, loans to Public Institutions and for interest and amortization of the public debt, we would have, at the end of this fiscal year, an accumulated surplus of \$4,260,918.68, instead of a deficit of \$665,105.96.

That spirit of progress which, notwithstanding the assertions of some detractors, exists in this Province, as well as in the other portions of the Dominion, led this Legislature, in the first place to grant liberal subsidies to railway companies and afterwards to cause the Government of the Province to undertake the construction of the Quebec, Montreal, Ottawa and Occidental Railway. For that purpose, the Government was compelled to effect four loans which, with \$32,686.21, obtained from the sale of materials, gave the sum of \$14,562,356.84 as net proceeds. We have paid, up to date, for the construction of the Provincial Railway, the sum of \$12,534,830.38, and in subsidies, the sum of \$2,410,441.54, making altogether \$14,945,271.92.\*

Deducting from this latter amount, the net proceeds of the four loans and of the sale of materials, which, together make up the credit side of the Consolidated Railway Fund, we find an excess in the expenditure of \$382,915.58. To this deficit in the Consolidated Railway Fund must be

\* See Appendix A—Table No. 2.

added the sum of \$199,737.30, due for the balance of the price of land, and \$100,000.00 to meet claims for works of construction on the Provincial Railway completed before its sale. These two sums make an amount of \$299,737.30, and bring up the deficit of the Consolidated Railway Fund to \$682,652.88.

I do not add to this deficit the sum of \$220,000, the amount of the estimate for completing St. Andrew's Street, extending the railway to deep water along the "Louise" embankment, and removing the line from Prince Edward Street, for the payment of this amount will not fall upon the Government. If arrangements are made with the city of Quebec, the amount will be paid off by means of a portion of its subscription; and, if none are entered into, it will have to be met by the North Shore Railway Company.

The deficit of \$665,105.96 in the Consolidated Revenue Fund, added to the deficit of \$682,652.88 in the Consolidated Railway Fund, will make, at the end of the current fiscal year, a floating debt of \$1,347,758.84.\* Of this amount \$1,048,021.54 are represented by temporary loans, and by the balance, \$539,202.53, of the deposit made by the Quebec Central Railway Company, while \$299,737.30 represent claims.

The deposit made by the Quebec Central Railway Company is repayable, with interest at 5 per cent, by half-yearly payments of \$67,646.67; but steps must be taken without delay to provide for the payment of the balance of the floating debt.

There remains, on the subsidies voted by the Legislature to different railways, a balance to which these companies have not yet become entitled, and which amounts to \$1,507,597.45.† The payment of at least one million dollars

\* See Appendix A—Table No. 9.

† See Appendix A—Table No. 6.

of this sum, within a period more or less remote, must be provided for.

The floating debt of \$1,347,758.84, forms, with the balance of the railway subsidies, a grand total of \$2,855,356.29. This is the amount of engagements which the Government has to meet; one portion immediately, another portion in the near future, and finally about \$500,000 at a date which is remote, it is true, but which it is impossible to determine.

#### NEW LOAN.

' Under these circumstances, what is to be done? Must we have recourse to taxation, in order to raise this sum? It is impossible to do so, for the amount is so great that it would necessitate too heavy a tax. There remains but the alternative of a loan; and I am of opinion that that is the means which we should adopt.

The Government has promised the public that it will effect no more loans for new works or new requirements, and it keeps its word. The power which the Government asks to issue bonds or debentures, will not have the effect of creating a new debt. It will in no wise increase our present indebtedness; it will simply be the conversion of a floating debt, which is always more burdensome than a funded one.

In order to meet the payment of the sum of \$2,355,356.39, which the Province is called upon to make before long, on the grand total of \$2,855,356.29, as well as of any sum which may eventually be awarded to Messrs. McGreevy and Macdonald, by the arbitrators appointed to investigate their claims, and also to provide the sum of \$300,000 required to complete the Departmental Buildings and Houses of Parliament, I propose, therefore, that bonds or debentures be created to the extent of \$3,000,000, which will be issued

and negotiated, as the wants of the Province will require and as opportunities occur for disposing of them.

The sum required at once is \$917,646.67, which is made up as follows : Temporary loans, \$600,000 ; half-yearly instalment payable to the Quebec Central Railway, \$67,646.67 ; claims for work on the railway, \$100,000 ; and for the construction of the Departmental Buildings and Houses of Parliament, \$150,000.

It will therefore be necessary to issue and dispose of bonds or debentures for one million dollars, as soon as possible.

The banking institutions have, since I have had the honor of occupying the position of Provincial Treasurer, shown themselves, as in the past, very well disposed towards facilitating the financial transactions of the Government. While awaiting the disposal of this issue of one million, I have every reason to believe that I will be able to renew the present temporary loans and effect new ones.

There is sufficient capital in the Province to enable us to place this loan upon our own market. Such a proceeding will be an advantage, both to the public and to the Government itself. It will offer a safe investment to persons who have capital to dispose of and will retain in the country the heavy amounts which, otherwise, would leave it every year in payment of interest ; and it will give those who may become holders of such bonds or debentures, an interest in the proper administration of the affairs of the country. On its side the Government will effect a saving in the cost of investment and management.

The bonds or debentures will be for \$500 each and will bear interest at 5 per cent., payable half-yearly on the 1st of January and 1st of July. The Government shall have the right to redeem these bonds or debentures, at any time,



after the expiration of thirty years from the first of July next. They will be made to order and will be registered in books kept for that purpose at certain specified places; but the registration of any bond or debenture may be transferred from one place to another. And the holders of such debentures to order may exchange them for others payable to bearer. The payment of the interest upon each bond or debenture will be effected at the place where it is registered.

This loan of three millions will, in fact, be the establishment of a constituted rent. The loan is essentially redeemable by the Government, just as a constituted rent is redeemable at the option of the debtor, under article 1789 of the Civil Code; but, in accordance with the provisions of article 390, it will be stipulated that the Government shall not have the right to exercise this power, until after the expiration of thirty years. By these conditions, on the one hand the subscribers to the bonds or debentures will be sure of a safe investment for thirty years, and, on the other hand, the Government may, after the expiration of this delay, take advantage of a period of prosperity or of a time when the rate of interest is low, to redeem its obligations, without being obliged to pay its debts at the price of any sacrifice, if it be found inopportune.\*

I do not propose that a sinking fund be established for the re-payment of this debt and this for two reasons. The first is that the annual budget is now charged with the payment of \$70,517.73, towards the amortization of the balance of our consolidated debt, which is quite heavy enough for our means. The second reason is that the establishment of sinking funds is an economical and financial illusion, unless it be the result of a surplus in the receipts.

---

\* See Appendix C.

"Unless there be such a surplus," says Garnier in his Treatise on Finance, "the funds absorbed cause a deficit in the budget, which is met by an increase in the floating debt and afterwards by an increase in the funded debt"

In addition to the sum of one million which we will soon require, as I have just explained, it is probable that we will also want an additional sum to meet the claims now under arbitration, and I therefore provide, in the estimates just submitted, for the payment of interest upon a sum of one million and a-half. I will be asked how we are to meet this new charge. I will return to this subject when I explain the question of Ways and Means to the House.

You have seen that the Government intends to complete the Departmental Buildings and Houses of Parliament. I may be permitted to say, before entering upon another subject, that we cannot well leave these buildings in their present state; that it would show that we were wanting in national pride, and it could only be justified by the fact that our common fortunes were completely exhausted.

Before commencing another head, I beg specially to call your attention to the fact, that, apart from the sum of \$300,000 destined for the public buildings, this loan will, in no wise, increase the public debt; that, as regards the remainder, it is only converting a floating into a consolidated debt, without any increase in the amount of the annual interest. I say converting a floating debt, for, as our revenue is insufficient, every payment on account of railway subsidies or existing claims, increases the floating debt by so much.

#### CONSOLIDATED DEBT.

I now pass to the consolidated debt.

The first loan of £800,000 sterling was issued in London on the 1st of May, 1874, and it is reduced by five payments from the sinking fund, to \$3,698,666.67.

The second, of £860,000 sterling, was negotiated in Montreal, and issued in London on the 1st of May, 1876, and is now reduced, by three payments from the sinking fund, to \$4,059,773.33.

The third, of \$3,000,000, issued in New York on the 1st November, 1878, is still entirely due.

The fourth, of £878,600 sterling, was issued in Paris on the 1st of July, 1880, and is reduced, by two drawings, to \$4,213,073.33.

Here is a tabular statement of these figures:—\*

Loan of 1874, Balance.....	\$3,698,666 67
Do 1876, do .....	4,059,773 33
Do 1878, Total .....	3,000,000 00
Do 1880, Balance.....	4,213,073 33
Total.....	<u>\$14,971,513 33</u>

The contribution to the sinking fund for the loan of 1874, for the years 1876, 1877, 1878, 1879, 1880, has been paid and invested in bonds of the loan; the contribution for 1881 has been sent to London, but is not yet invested.

The contribution to the sinking fund for the loan of 1876, for 1878, 1879 and 1880, has been paid and invested; and, as in the case of the former loan, the contribution for 1881 is in London, awaiting investment.

As to the New York loan, no sinking fund has been provided.

If the railway had not been sold, the Government would have had to provide for the sinking fund, for the current year, as to the two first loans, and for three years as to the 1878 loan.

\* See Appendix A—Table No. 7.



It has not been necessary to establish a sinking fund for the French loan, as it is repayable by means of half-yearly drawings and by the payment of an annuity, during thirty-nine years, of £48,000 sterling.

The sale of the two sections of the railway has realized a net sum of \$7,600,000.00, say \$3,600,000 for the Western Section and \$4,000,000 for the Eastern Section.\* This amount of \$7,600,000 has been specially appropriated to the redemption of the loans of 1876 and 1878 and of \$540,226.67 of the loan of 1874.†

This appropriation leaves the balance of the consolidated debt as follows:—

Loan of 1874.....	\$3,158,440 00
Do 1880.....	4,213,073 33
Total.....	<u>\$7,371,513 33</u>

The yearly budget is, by the sale, relieved of an annual payment of \$456,000, say \$380,000 for interest at 5 per cent and \$76,000 for amortization, at 1 per cent, on the sum of \$7,600,000 appropriated for the repayment of the consolidated debt.

This sum of \$7,600,000 will redeem a like proportion of the consolidated debt, when it becomes due, and, in the interval, will provide the interest thereon. It is therefore no longer necessary to provide a sinking fund for that portion of the consolidated debt

#### LIABILITIES OF THE PROVINCE.

I now submit you a statement of the liabilities of the Province:—‡

\* See Appendix A—Table No. 10.

† See Appendix B.

‡ See Appendix A—Table No. 7.

1. Balance of the Consolidated Debt.....	\$ 7,871,513 33
2. Temporary Loans.....	600,000 00
3. Deposit by the Quebec Central Railway Company.....	539,202 53
4. Purchase of Land.....	199,737 30
5. Claims for Work on the Railway.....	100,000 00
6. Railway Subsidies.....	1,507,597 45
Total.....	<u><u>\$10,318,050 61</u></u>

If the award in the arbitration granted Messrs. McGreevy & Macdonald is in their favor, it will be necessary to add the amounts allowed them, to the above total. I have, however, reason to hope, from an examination of the proof adduced by the Government, that the amount which it may, under these circumstances, be called upon to pay, will not be very heavy.

The 2nd, 3rd, 4th and 5th items, as well as one million of the 6th item, will be paid by means of a portion of the loan of \$3,000,000 which the Government asks you to authorize it to effect, and the balance will be expended, as I have already stated, in the construction of the Departmental Buildings and Houses of Parliament, and in meeting the claims which the Government may be called upon to pay.

After the issue of the new loan, the liabilities of the Province will, after deducting the price of the railway, amount to \$10,879,110.78, made up as follows :—

1. Balance of loan of 1874.....	\$ 3,158,440 00
2. do do 1880.....	4,213,073 33
3. New Loan.....	3,000,000 00
4. Balance of Railway Subsidies .....	507,597 45
Total.....	<u><u>\$10,879,110 78</u></u>

It is not probable that the balance of the railway subsidies will be claimed before some time, and when it is, there is every reason to believe that the revenues of the Province will have sufficiently increased to enable it to pay the amounts gradually, out of its yearly receipts.

#### STATEMENT FOR THE YEAR 1881-82.

I will now proceed to speak of the current year.

The estimate of the probable receipts for this year was, on the 30th May last, placed by my honorable predecessor, at \$2,745,095.12. I am happy to be able to inform you that on the 1st of May, the receipts amounted to \$2,633,770.95, and I estimate that between this and the 30th June next, we will receive the following amounts :—

Crown Lands.....	\$252,652 78
Law Stamps.....	25,000 00
Registration Stamps.....	3,000 00
Building and Jury Funds.....	7,500 00
Licenses.....	154,000 00
Percentage from Public Officers...	1,500 00
Administration of Justice.....	3,000 00
<i>Official Gazette</i> .....	5,000 00
Contributions of Municipalities to Asylums	4,000 00
Interest .....	1,500 00
Beauport Asylum (re-payment).....	6,500 00
Provincial Railway ; net receipts.....	40,000 00
Casual Revenue .....	1,000 00
Pension Fund.....	750 00
Legislation .....	2,500 00
<b>Total.....</b>	<b>\$ 507,902 78</b>

These probable receipts, added to those already collected up to the 1st of May, will bring the total revenue of the fiscal year up to \$3,141,673.73.

In his estimate of receipts my honorable predecessor included \$250,000 as net profit from the railway.\* In establishing the amount of the receipts, as well as in preparing the approximate estimate of the probable receipts for the remainder of the year, I also took into account the net proceeds, instead of giving the gross revenue in the receipts and the working expenses in the disbursements.

The payments made during the first ten months of the present year, for ordinary expenses, amount to \$2,529,695.78.

You will find a detailed account of these payments in the two statements of the receipts and payments which have been laid upon the table of this House.

I estimate the amounts which will have to be paid, during the next two months of the present fiscal year, as follows :—

Public Debt.....	\$120,000 00
Legislation.....	71,200 00
Civil Government.....	38,000 00
Administration of Justice.....	63,532 00
Public Instruction.....	3,871 00
Agriculture.....	31,756 00
Public Works.....	42,392 00
Charities.....	16,439 00
Pension Fund.....	1,514 00
Charges on Revenue.....	49,779 00
Miscellaneous.....	4,754 00
Quebec Central Railway.....	67,647 00
<b>Total .....</b>	<b>\$510,884 00</b>

This estimate, added to the payments already made, makes a total of \$3,040,579.78, and this amount, deducted from the receipts, already collected or to be collected for

\* See Appendix A—Table No. 3.

the current year, say \$3,141,673.73, gives a surplus for this year of \$101,093.95.

But, as this figure is based upon an approximate estimate of the receipts and payments of two months, allowance being made for a possible increase in the expenditure and decrease in the receipts, I prefer, in order to be on the safe side, to call the surplus \$50,000, as I have already stated.

During the interval between the past session and the present one, the requirements of the public service necessitated the issuing of special warrants to the amount of \$166,856.79, made up as follows :—

Colonization Roads .....	\$ 6,000 00
Surveys. ....	14,000 00
Agricultural Societies.....	8,863 26
Moving the Departments.....	2,551 80
Immigration and Repatriation.....	4,600 00
Contingencies of Departments.....	3,400 00
Inspection of Public Offices.....	2,300 00
Civil Government.....	2,750 00
	<hr/>
	\$ 44,465 06
Railway Construction.....	122,391 73
	<hr/>
Total .....	<u><u>\$166,856.79</u></u>

A statement of these special warrants was prepared by the Auditor, as required by the Treasury Act, and has been laid by me upon the table of this House.

Besides the amount of these special warrants, there will be required for the proposed expenses of the remainder of the present fiscal year, a supplementary vote of \$152,849.00, made up as follows :—

Legislation .....	\$ 51,700 00
Civil Government.....	2,000,00
Administration of Justice.....	15,050 00
Public Instruction.....	1,854 00
Public Works.....	1,250 00
Charities.....	10,595 00
Charges on Revenue.....	20,400 00
Working expenses of Q. M. O. & O. Rail- way .....	50,000 000
* Total.....	<u>\$152,849 00</u>

These appropriations are recommended to this House by the message from the Lieutenant-Governor, which I had the honor to place in your hands, and I have every confidence that this House will vote them.

The Government has thought proper to represent to His Honor the Lieutenant-Governor that the amount of the sessional allowance of the members of both Houses is altogether insufficient and disproportionate to the importance of the labors of this Legislature, and has suggested that it be increased to \$800.00.

His Honor has approved this suggestion, and the estimates annexed to his message contain a recommendation that appropriations be voted for the increase of the sessional allowance, from \$500 to \$800.

This is the amount allowed to members of the Legislative Assembly in Ontario, and the amount is not more than what is due to the members of our Legislature. †

The other item in the Supplementary Estimates, under the head of "Legislation," is intended to cover the amount asked by two addresses voted during the present session, to provide for the contingent expenses of the Legislative Assembly.

\* See Supplement I.

† See Supplement II.

The items under the heads of "Civil Government" and "Administration of Justice" are for the purpose of making up the insufficient appropriations voted last session.

The item of \$1,854 under the head of "Public Instruction" is to enable the Superintendent of Public Instruction to pay the balance of the expenses entailed by the book depository.

The item of \$1,250, under the head of "Public Works and Buildings," is to pay the balance remaining due for the building of the Prison for Females, Montreal.

The two items of \$9,675 and \$600, under the head of "Charities," are required, owing to the insufficiency of the sums voted; and this insufficiency is due to the increased number of persons in the asylums and industrial schools. The other item of \$320, under the same heading, is a grant to the Montreal Dispensary, whose annual grant was transferred to the dispensary connected with the Nazareth Asylum, without any notice being given to the Montreal Dispensary.

The items under the head of "Charges on Revenue," are intended to make up the insufficiency of the amount voted to the Crown Lands Department. But, if the estimate of the expenses of the department has been exceeded, the receipts, estimated at \$623,383.00, will reach \$750,119.00, being \$126,736.00 more than was expected.

The last item of the supplementary estimates is a vote to cover the working expenses of the Provincial Railway, until it is handed over.

The amount expended during the present year, for construction account on the Provincial Railway and in subsidies to railways, is \$911,021.73. This is included in the total amount of the payments debited to the Consolidated Railway Fund, to which I have already alluded.

## STATEMENT FOR THE YEAR 1881-82.

I will now speak of the coming fiscal year.\*

I estimate the probable expenditure as follows:—

## ORDINARY EXPENDITURE.

## PUBLIC DEBT.

Interest .....	\$ 801,021 09
Sinking Fund †.....	77,087 57
Management.....	6,828 87
	<hr/> \$ 884,932 53

## LEGISLATION.

*Legislative Council :*

Sessional allowance, at \$800...	\$ 19,865 00
Salaries, &c .. .. .	14,405 00

*Legislative Assembly :*

Sessional allowance, at \$800...	54,000 00
Salaries .....	70,167 00
Library.....	3,000 00
Elections.....	3,000 00
Clerk of the Crown in	
Chancery .....	800 00
Printing, &c.....	4,000 00
Law Clerk.....	3,600 00
	<hr/> 172,837 00

## CIVIL GOVERNMENT.

Salaries .....	\$ 147,190 00
Contingencies .....	54,219 00
	<hr/> 201,409 00

\* See Supplement I. and Appendix A—Table 5.

† Sinking Fund—loan of 1874.....	\$31,584 40
"    "    loan of 1880.....	\$38,933 33
Interest on debentures redeemed.....	6,569 84
	<hr/> 45,503 17
	<hr/> \$77,087 57



## ADMINISTRATION OF JUSTICE.

Salaries and Contingencies.	\$ 869,912 00	
Police.....	16,068 00	
Reformatories.....	48,000 00	
Inspection of Public Offices.	11,000 00	
	<hr/>	\$ 489,980 00

## PUBLIC INSTRUCTION.

Superior Education.....	\$ 78,410 00	
Common Schools.....	155,000 00	
Schools in Poor Municipalities	6,000 00	
Normal Schools.....	42,000 00	
Inspection.....	28,745 00	
Superannuated Teachers.....	8,000 00	
Books for Prizes.....	4,500 00	
Schools for the Deaf and Dumb	18,000 00	
Council of Public Instruction..	1,500 00	
Polytechnic School.....	1,000 00	
Commercial College, Va-		
rennes.....	500 00	
Journal of Public Instruction..	1,000 00	
Aid for re-building Rimouski		
College.....	2,000 00	
do St. Thérèse College...	2,000 00	
do St. Francis do	1,000 00	
	<hr/>	344,655 00

## SCIENTIFIC AND LITERARY INSTITUTIONS.

Four Faculties of Medicine		
at Montreal.....	\$ 3,000 00	
Societies in Montreal.....	2,850 00	
Do Quebec.....	3,250 00	
Publishing Law Reports...	3,000 00	
Le Naturaliste Canadien.....	400 00	
Transcribing Archives.....	2,460 00	
Rifle Association.....	500 00	
	<hr/>	14,960 00

## ARTS AND MANUFACTURES.

Board of Arts and Manufactures..... \$ 10,000 00

## AGRICULTURE, ETC.

Societies.....\$ 50,000 00  
 Council ..... 4,000 00  
 Journals ..... 7,400 00  
 Agricultural and Veterinary  
   Schools ..... 6,100 00  
 Horticulture and Fruit-grow-  
   ing.. ..... 1,000 00  
 Butter and Cheese Factories. 2,600 00  
 Beet-Sugar Factories..... 14,000 00  
 Sundries ..... 4,000 00  
89,100 00

## IMMIGRATION AND REPATRIATION.

Salaries and expenses..... 15,000 00

## COLONIZATION.

Roads .....\$ 65,000 00  
 Societies ..... 5,000 00  
 Bridge at Lacolle..... 2,000 00  
72,000 00

## PUBLIC WORKS AND BUILDINGS.

Rents, Repairs, &c.....\$ 59,474 00  
 Inspection ..... 3,000 00  
 Public Departments ..... 26,100 00  
 Spencer Wood : Stables, &c.. 7,000 00  
 Purchase of Buildings, Mon-  
   treal..... 12,700 00  
 Aid towards re-building  
   Court House, Kamouraska 5,000 00  
 Superintending do..... 1,000 00  
 New Court Houses, &c..... 10,000 00  
 Gaoler's residence, Percé.... 1,000 00  
 Locks for Gaols..... 6,600 00  
 Repairs, &c., chargeable to  
   Building and Jury Funds. 29,407 00  
161,281 00

## CHARITIES.

Lunatic Asylums.....	\$ 232,000 00	
Sundry Institutions.....	51,030 00	
Reformatory Schools.....	6,600 00	
Industrial Schools... ..	9,500 00	
	<u>          </u>	\$ 298,530 00

## MISCELLANEOUS.

Miscellaneous generally.....	\$ 19,700 00	
De Salaberry Monument....	300 00	
Mining Engineers.....	4,000 00	
Agent in France.....	2,500 00	
Commissioner for Municipal		
Loan Fund.....	3,500 00	
Pensions .....	10,000 00	
	<u>          </u>	40,000 00

## CHARGES ON REVENUE.

Sundries .....	172,235 00
----------------	------------

Total ordinary expenditure.....\$2,916,919 53

## EXTRAORDINARY EXPENDITURE.

## BUILDINGS, &amp;c.

Houses of Parliament.....	\$ 150,000 00
Quebec Court House.....	150,000 00
Interest guaranteed for Que-	
bec Central Railway.....	112,429 57
	<u>          </u>
	\$ 412,429 57

## RAILWAY.

Works at Quebec.	\$220,000 00
Claims.....	100,000 00
Purchase of land.	199,737 30
	<u>          </u>
	519,737 30

Total extraordinary expenditure...\$ 932,166 87

Grand Total ..... \$3,849,086 40

Of the extraordinary expenditure, the sum of \$562,166.87 will be paid by the loan which I ask this House to authorise the Government to contract, and the appropriation of \$150,000 for the building of the Court House in Quebec will be provided for by a special loan to be paid by a special tax to be imposed on the District of Quebec.

This is now the proper time for me to give you explanations with reference to certain items in the estimates of ordinary expenditure.

The item of "Interest" comprises \$75,000 for interest on the floating debt, both before and after it is consolidated.

For the reasons I have already given, the contribution to the sinking fund of the consolidated debt is calculated only on the balance of \$3,158,440.00, which remains, after deducting the price of the railway, on the three first loans, say \$31,584.40, making, with the contribution of one per cent. or \$38,933.33 for the sinking fund of the French loan, and \$6,569.84 for interest on the debentures redeemed, the sum of \$77,087.57.

Two votes are asked for increasing the members' sessional allowance for both Houses, \$26,700 in all.

The vote for Reformatory Prisons shows an increase of \$3,000 over that of last year ; this is due to the increase in the number of prisoners.

In order to render the inspection of public offices more effective, the amount asked for this service is increased by the sum of \$3,000.

The vote asked for the administration of justice is slightly reduced. This is a very expensive service, and the Government intends to exercise the greatest circumspection, in order to reduce its cost as much as possible.

The vote for schools in poor municipalities is increased by \$2,000. The amount of the other ordinary appropriations for Public Instruction remains the same as last year.

A new vote of \$500 is asked for the purpose of assisting the Commercial College, Varennes.

Three Colleges, which rendered important services to the country, those of Rimouski, Ste. Thérèse and St. Francis, were destroyed by fire during the year. The Government is of opinion that it is advisable to assist in rebuilding these Colleges and it proposes that \$8,000 be granted to each of the two former, and \$2,000 to the St. Francis College. The grant to the two first institutions will be paid in four annual instalments of \$2,000, and that to St. Francis College in two annual instalments of \$1,000 each. A vote for the total grant is asked in these three cases, although the appropriation demanded is only for the instalment payable for the coming year, in order to enable these institutions to negotiate the other payments, if they wish it.

Under the head of "Scientific and Literary Institutions" you will find a decrease of \$100 in the grant to the Geographical Society; an increase of \$100 in that to the *Institut Canadien*; a new grant of \$1,000 to the National Institute of Fine Arts, at Montreal; and a new grant of \$200 to the Septuor Haydn of Quebec. The two grants of \$500 each to *La Revue Légale* and *La Themis* are divided amongst four publications, as follows:—*La Revue Légale* \$400, *La Themis* \$300, *Decisions of the Court of Appeals* \$200 and the *Legal News* \$100.

Under the head of "Agriculture" you will find an increase of \$100 in the item of Butter and Cheese Factories and the following three new grants:—Dairymen's Association of the Province of Quebec, \$1,000; grant to beet sugar factories, other than that to which the annual subsidy is given, \$7,000; and for encouraging agricultural industries, \$2,000.

As the bursaries of the Veterinary and Agricultural Schools are never applied for, the appropriation for these bursaries is reduced by one-half.

The vote for colonization is increased by \$5,000, and aid to the extent of \$6,000, payable at the rate of \$2,000 per annum, is asked for a bridge over the Richelieu River, between Lacolle and St. Thomas. This bridge is of such importance to the whole section of the country in which it will be situated, that the Government considers that this assistance should be given to those who have undertaken to build it.

There is nothing under the head of "Public Works" which requires explanation.

The vote asked for Lunatic Asylums exceeds that of last year by \$9,800. This is due to the increase in the number of patients, to which I have already alluded

The vote for grants to various Charitable Institutions is increased only by the sum of \$100, granted to the establishment of *Les Petites Sœurs des Pauvres* at Montreal. The sum of \$320 granted until 1879 to the Montreal Dispensary and since then to the Dispensary attached to Nazareth Asylum, is equally divided between these two institutions.

The vote asked for Industrial Schools exceeds that of last year by \$1,100. This increase is rendered necessary, as in the case of the Lunatic Asylums, by the ever-increasing number of inmates. The vote asked for Reformatory Schools is reduced by \$600.

A new Commissioner has been appointed for the settlement of the Municipal Loan Fund and he is busily working at it. A vote of \$500 is asked for his contingent expenses.

The Agent of the Province, at Paris, who has been recently appointed, will shortly proceed on his mission. A vote of \$2,500 is asked for his salary and expenses.

The other items contained in the estimates require no explanation.

---

I now have to show the House what are the ways and means at our disposal for meeting the proposed ordinary expenditure, amounting to \$2,916,919.53.

I estimate the receipts for the coming year at the following figures :—

### ORDINARY RECEIPTS.

#### SUBSIDIES AND TRUSTS.

Dominion subsidy.....	\$ 899,252 80	
Specific grant.....	70,000 00	
Interest on trusts.....	55,459 32	
	<hr/>	\$1,014,712 12

#### COMMON SCHOOL LANDS.

Interest from Ontario.....	25,000 00
----------------------------	-----------

#### CROWN DOMAIN.

Sale of lands, Timber licenses, &c.....	717,778 00
---	------------

#### LICENSES.

Hotels, shops, &c.....	250,000 00
------------------------	------------

#### JUSTICE.

Law Stamps.....	\$ 180,000 00	
Registration Stamps.....	20,000 00	
Law Fees.....	10,000 00	
Building and Jury Funds..	20,000 00	
Stamps and contributions under the Act 39 Vic., ch. 8.....	5,000 00	
Reformatory School, Mon- treal .....	5,000 00	
Gaol Guards .....	2,400 00	
Fines .....	1,000 00	
Court House, Montreal.....	8,000 00	
	<hr/>	251,400 00

## PUBLIC OFFICERS.

Percentage on their fees.....\$	8,000 00	
Percentage on renewals.....	1,500 00	
	<hr/>	\$ 9,500 00

## LEGISLATION.

Fees on Private Bills, &c.....	5,000 00
--------------------------------	----------

## OFFICIAL GAZETTE.

Advertising, &c.....	19,800 00
----------------------	-----------

## LUNATIC ASYLUMS.

Contributions of Municipalities .....	\$ 10,000 00	
Payments by patients.....	1,000 00	
	<hr/>	11,000 00

## PUBLIC BUILDINGS.

Rents, &c.....	1,000 00
----------------	----------

## CASUAL REVENUE.

Commissions, copies of documents, &c...	2,000 00
---	----------

## PENSION FUND.

Contributions by Civil Service employees	8,000 00
--	----------

## INTEREST.

On Judicial Deposits, &c.....	13,000 00
-------------------------------	-----------

## REPAYMENTS.

Beauport Asylum.....\$	12,500 00	
St. Jean de Dieu Asylum.....	6,000 00	
	<hr/>	18,500 00

## QUEBEC FIRE LOAN.

Payments.....	1,000 00
---------------	----------

## TEACHERS' FUND.

Contributions.....	8,000 00
--------------------	----------

## MUNICIPAL LOAN FUND.

Collections.....	75,000 00
------------------	-----------



## Q. M. O. AND O. RAILWAY.

Interest from Canadian Pacific Railway Co.....	\$180,000 00	
Interest from North Shore Railway Company.....	200,000 00	
		<hr/> 380,000 00
Total estimated receipts.....	\$2,810,690 12	<hr/>

Deducting from the sum of \$2,916,919.53, the amount of the estimated ordinary expenditure, this sum of \$2,810,690.12 we find a deficit of \$106,229.41.

Some weeks ago, when I had the honor of addressing this House on the question of the sale of the railway, I took the opportunity to state that, during the ensuing year, there would be a deficit of about \$100,000. The difference between the deficit I then announced and that which I establish to-day, is inconsiderable.

## INCREASING THE REVENUE.

The existence of this deficit and the apprehension of a probable decrease in some of our sources of revenue, make it an imperative duty for us to take immediate steps to increase the revenue of the Province.

If we allowed deficits to accumulate year by year, we would be drawn into financial embarrassments, which it is of the greatest importance for us to avoid. I have long and seriously thought over the financial position of the Province, and, notwithstanding the very great repugnance I feel to imposing any new burden, however light, upon the people, still I really do not see any other way of getting out of our difficulty.

"A Government," as Sismondi says, "cannot so act as to prevent taxation from being a burden; the whole duty of a Government, as regards the ratepayer, consists, not in doing well, but in doing as little harm as possible."

What is the cause of this deficit ? Is it not the heavy amounts borrowed and expended by Government in building the Provincial Railway and in the payment of the subsidies to railway companies ? Now, which class profits the most by these improvements ? It is assuredly the commercial class, although all the inhabitants of the Province have also benefitted by them. As the commercial class derives the greatest benefit from the sums so expended by the Government, it should contribute the most to the revenue while at the same it is the best able to do so.

By the British North America Act, this Legislature has the right of imposing direct taxes and of imposing license duties for the raising of revenue for Provincial purposes.

I intend to ask this House to impose upon commercial corporations doing business in the Province the obligation of paying license duties. The corporations which I propose to bring under this License duty are : banks, insurance companies, joint stock manufacturing or commercial companies, loan, navigation, telegraph, telephone, city passenger and ordinary railway companies.

There will, in the first place, be a business license, which will be the principal one, and also a small supplementary license for every office, place of business, factory or workshop of each company.

The following is the list of dues to be paid by these companies :

#### I. BANKS.

(a) On each license to do business, five hundred dollars when the paid up capital of the bank is five hundred thousand dollars or less than that sum, one thousand dollars when the paid up capital is from five hundred thousand dollars to one million dollars ; and an additional

sum of two hundred dollars for each million or fraction of a million dollars of the paid-up capital, from one million dollars to three million dollars, and a further additional sum of one hundred dollars for each million or fraction of a million dollars of the paid-up capital, over three millions dollars.

(b) On each supplementary license, one hundred dollars in the Cities of Montreal and Quebec, and fifty dollars in every other place.

## II. INSURANCE COMPANIES.

(a) On each license to do business, five hundred dollars, with an additional sum of two hundred and fifty dollars for each kind of insurance carried on, beyond one.

(b) On each supplementary license, one hundred dollars in the Cities of Montreal and Quebec, and fifty dollars in every other place.

## III. INCORPORATED COMPANIES.

(a) On each license to do business, one hundred dollars, with an additional sum of fifty dollars for each two hundred and fifty thousand dollars or fraction of two hundred and fifty thousand dollars of the paid-up capital of the company, over two hundred and fifty thousand dollars.

(b) On each supplementary license, fifty dollars in the Cities of Quebec and Montreal, and twenty-five dollars in every other place.

## IV. LOAN COMPANIES.

(a) On each license to do business, for a company with a fixed capital, two hundred dollars, with an additional sum of one hundred dollars for each five hundred thousand dollars or fraction of five hundred thousand dollars of the

paid-up capital of the company, over five hundred thousand dollars.

(b) On each license to do business, for a company without a fixed capital, one hundred dollars.

(c) On each supplementary license one hundred dollars in the Cities of Montreal and Quebec, and fifty dollars in every other place.

#### V. NAVIGATION COMPANIES.

(a) On each license to do business, two hundred dollars, with an additional sum of one hundred dollars for each five hundred thousand dollars or fraction of five hundred thousand dollars, of the paid-up capital of the company, over five hundred thousand dollars; but not to exceed a maximum of one thousand dollars.

#### VI. TELEGRAPH COMPANIES.

(a) On each license to do business, one thousand dollars.  
(b) On each supplementary license, five dollars.

#### VII. TELEPHONE COMPANIES.

(a) On each license to do business, five hundred dollars.  
(b) On each supplementary license, one hundred dollars in the Cities of Montreal and Quebec, and fifty dollars in every other place.

#### VIII. CITY PASSENGER RAILWAY COMPANIES.

(a) On each license to do business, fifty dollars for each mile worked.

#### IX. RAILWAY COMPANIES.

(a) On each licence to do business, twenty dollars for each mile worked.

---

I estimate that these duties will give a revenue of \$123,800, made up as follows :

Banks .....	\$ 25,850 00
Insurance Companies.....	84,600 00
Manufacturing and Commercial Companies.	15,000 00
Loan Companies.....	8,000 00
Navigation Companies.....	5,000 00
Telegraph Companies.....	5,250 00
Telephone Companies. ....	1,100 00
City Passenger Railway Companies.....	1,000 00
Railway Companies.....	28,000 00
Total.....	<u>\$123,800 00</u>

By means of this revenue, our receipts will balance our expenditure.

If there be any class of companies which, above all others, should be subject to this license duty, it is the railway companies which have been subsidized by the State. Take, for example, the Quebec Central, which annually costs the Province, for interest, the sum of \$23,707.50, and which will pay \$2,000 for one hundred miles of road. Take also the South Eastern Railway, which costs the Province \$24,850.35 per annum, for interest, and which will have to pay \$2,800.\*

#### QUEBEC COURT HOUSE.

I have now only to give you some explanations as to the loan required to meet the expense of building a Court House at Quebec, and as to the special tax to be imposed for the payment of the interest and sinking fund.

You will agree with me that the building of a new Court House in Quebec is absolutely necessary.

\* See Supplement III. and Appendix D.



In 1876, a law, which was never carried into execution, was passed, authorizing the imposing of certain stamp duties in the district of Quebec, to meet the cost of this building. But, besides the fact that this tax would weigh unjustly upon only a portion of the inhabitants of the district, the amount levied by this stamp tax would be altogether insufficient.

By section 18 of chap. 109 of the Consolidated Statutes for Lower Canada, it is provided that, in the event of a District Court House being rebuilt, the Sheriff shall levy the necessary amount upon the various municipalities of the district. The proportion established for the District of Quebec gives two-thirds for the City of Quebec; and the remaining third is equally divided among the other municipalities of the district.

According to the provisions of the act I have just cited, the amount required has to be all levied by a single assessment. Instead of imposing a stamp duty, I prefer an assessment upon the real estate in the district, and, in order to render the burden easier to bear, I propose an issue of bonds or debentures, redeemable by annuities, during 37 years, which would allow of only a slight annual tax being imposed.

The amount of the annual contribution will be \$9,000, of which \$6,000 will be payable by the City of Quebec and \$3,000 by the other municipalities of the district.

As it is more equitable to levy the portion payable by the municipalities, in proportion to the value of the taxable property, the bill which I will have the honor to submit to this House, will contain provisions to that effect.

According to the municipal returns for the year 1880, the following is the value of the taxable property in the town of Levis, and in the six counties composing the District of Quebec:

Levis ; Town.....	\$ 1,689,800 00
do. ; County.....	3,422,580 00
Lotbinière.....	2,845,296 00
Montmorency (No. 1).....	1,298,219 00
do. (No. 2); Island of Orleans	771,444 00
Portneuf.....	3,268,107 00
Quebec.....	5,863,513 00
Total.....	<u>\$19,158,909 00</u>

The same disproportion exists between the various parishes of each county, and it would therefore be unjust to make them each pay the same amount towards the annual contribution.\*

---

I have now, Mr. Speaker, fulfilled my task. My only desire has been to lay before this House a lucid and correct summary of the financial position of the Province and of the fiscal projects of the Government. I have done so as briefly as I could, and I thank the House for the kind attention with which it has listened to me.

I leave to the consideration of the House the estimates and financial projects which I have had the honor of explaining. I now beg to move, Mr Speaker, that you do leave the chair, and that the House do resolve itself into Committee of Supply.

---

\* See Appendix E.

## SUPPLEMENT I.

### FURTHER SUPPLEMENTARY ESTIMATES

Of the Province of Quebec, for the fiscal year ending  
30th June, 1882.

—	SERVICE.	To be Voted.
	<b>II.—LEGISLATION.</b>	\$ cts.
	<i>Legislative Assembly.</i>	
1	To complete amount required for salaries, contingent expenses, &c.....	15,000 00
	<b>III.—CIVIL GOVERNMENT.</b>	
2	Retiring allowance to Louis Giard, heretofore Secretary of the Catholic Committee of the Council of Public Instruction.....	1,200 00
	<b>VII.—PUBLIC WORKS AND BUILDINGS.</b>	
3	Insurance of Court Houses and Gaols (chargeable to Building and Jury Funds).....	500 00
	<b>IX.—MISCELLANEOUS.</b>	
4	To relieve the distressed population of Amherst Island (Magdalen Islands).....	600 00
		\$17,300 00



## SUPPLEMENTARY ESTIMATES

Of the Province of Quebec, for the fiscal year ending  
30th June, 1882.

—	SERVICE.	To be Voted.	Total.
<b>II.—LEGISLATION.</b>			
		\$ cts.	\$ cts.
1	Aid towards the publication of the Debates of the Legislature by G. A. Desjardins, on condition that 400 copies be supplied for public distribution.....		2,500 00
<b>V.—PUBLIC INSTRUCTION, &amp;c.</b>			
2	Aid towards the establishment of an institution for the production of animal vaccine, at Montreal.....		300 00
<b>VI.—AGRICULTURE, &amp;c.</b>			
3	To increase the grant to the Horticultural and Pomological Societies for exhibitions, (including the Quebec Horticultural Society).	250 00	
<b>VII.—COLONIZATION.</b>			
4	Aid to a Bridge over the Chaudiere River between St. Nicholas and St. Romuald (\$8,000, payable \$2,000 a year for four years).....	2,000 00	
<b>VIII.—CHARITIES.</b>			
5	To increase the grant to Notre-Dame Hospital, Montreal.....	1,000 00	
6	To increase the grant to the Sœurs de la Miséricorde, Montreal.....	250 00	
			1,250 00
			\$ 6,300 00

MEMO:—Estimated receipts..... \$2,810,690 12  
 Taxes on corporations..... 123,800 00  
 \$2,934,490 12  
 Ordinary expenditure mentioned in the budget. \$2,916,919 53  
 Supplementary estimates..... 6,300 00  
 2,923,219 53  
 Estimated surplus..... \$ 11,270 59

## SUPPLEMENT II.

### SESSIONAL INDEMNITY.

On the 16th May, 1882, the Provincial Treasurer, in moving the adoption of the items in the Supplementary Estimates for the additional indemnity, made the following remarks :

The observations made by the Honorable leader of the Opposition, with respect to the proposed increase of the sessional indemnity, render it necessary that I should give some explanations.

When I made my budget speech, yesterday, I thought that the sessional indemnity of the members of the Legislative Assembly of Ontario was \$800.00. This amount, to my knowledge, had been paid to them. I had seen the entry in the Public Accounts of that province, but I was not aware that since the year to which these Public Accounts related, the indemnity had been reduced by \$200.00.

Since the Honorable member for Lotbiniere stated that the sessional indemnity in Ontario was only \$600.00, I have consulted the statutes and the journals of the Legislative Assembly of that province. I found that by section 59 of the act respecting the Legislative Assembly, the indemnity is fixed at \$6.00 a day, if the session does not last over 30 days ; but that, if it does last longer, the amount of the sessional indemnity is left undetermined and has to be determined each year and voted with the Supplies.

I also ascertained by the Journals that there had been voted for sessional indemnity and mileage in 1877, \$72,600 ;

in 1878, \$72,600; in 1879, \$55,000; in 1880, \$55,000; and in 1881, \$55,000. Eighty-eight members, at \$600 each, would aggregate \$52,800, and at \$800, \$70,400. Therefore, they received \$800 in 1877 and 1878, and, after that, an indemnity of \$600.

I knew that the amount was \$800 in 1878; but I was not aware that it had subsequently been reduced.

Now, allow me to state that I never mentioned the amount of the sessional indemnity in our sister province as the reason for increasing that of ours; I only casually alluded to what I, together with nearly all the members in this House, believed to be the amount.

Our sessions are long and laborious, and it seemed to the Government that the present indemnity of \$500 is quite insufficient and out of proportion with the time and labor devoted by members to the affairs of the country, and with the expenses they are obliged to incur.

If we have suggested to His Honor the Lieutenant-Governor that he should recommend an increase of the sessional indemnity, it is not on account of what may be paid to members in other provinces; but it is because we think that members of our province are entitled to such compensation, and that the public will sanction this measure.

We do not intend to amend the Act which fixes the sessional indemnity at \$500. The amount of the increase will depend every year upon circumstances, and any such increase will have to be voted with the Supplies.

## SUPPLEMENT III.

---

### DIRECT TAXES ON COMMERCIAL CORPORATIONS.

On the 23rd May, 1882, the Provincial Treasurer delivered to the Speaker a message from His Honor the Lieutenant-Governor, couched in the following terms:

"The Lieutenant-Governor of the Province of Quebec, authorizes the Honorable the Treasurer of the Province to lay before the House, Resolutions for the imposition of certain direct taxes on certain Commercial Corporations in order to provide for the exigencies of the public service of this Province, and recommends the same to the consideration of the House."

In moving that the House do resolve itself into Committee of the Whole, to consider these resolutions, the Provincial Treasurer made the following remarks:

In my Budget Speech, I stated that there was, between the proposed ordinary expenditure and the expected receipts of the ensuing fiscal year, a difference of \$106,229.41, and I declared that it was necessary to provide for it, by increasing the revenue of the province.

I then informed you that it was the intention of the Government to levy the sum required to restore the equilibrium between our receipts and expenditure, upon certain commercial corporations; and I told you that I proposed to levy it by imposing license duties.

At the same time, I enumerated the license duties, which I intended to impose upon the various kinds of corporations.

Since then, I have had leisure to study the question again, and I have decided to impose a direct tax upon the franchise of these corporations, instead of a license duty. I have also decided to make some slight alterations in the amount of the tax.

The difference between the imposition of a direct tax and the imposition of a license duty is only a difference in form, and one which in no wise affects the substance.

By sub-section 2 of section 92 of the Confederation Act, this Legislature has the right to impose direct taxes, within the province, in order to the raising of a revenue for provincial purposes; and by sub-section 9, it has the right to impose license duties, also in order to the raising of revenue for provincial purposes.

The Parliament of Canada, alone has the right, in virtue of the same act, of passing laws for the regulation of Trade and Commerce.

License duties may be imposed for two purposes: first, for regulation; secondly, for revenue.

The distinction between the exacting of a sum of money in virtue of the police power, and the exacting of a sum of money in virtue of the taxing power, is essentially a difference of substance and not of form. The object of the first is regulation, and when it relates to Trade and Commerce, it can only be authorized by the Parliament of Canada; the object of the second is revenue, and it can be authorized as well by Parliament as by the Provincial Legislatures.

This is how Passy explains the difference on the subject:

*"La licence, c'est-à-dire l'autorisation d'exercer, peut être refusée ou retirée, et souvent n'est pas moins un moyen de police qu'une source de revenu public. Les patentes ont un tout*

*" autre caractère. C'est un impôt qui s'étend à tous les états, métiers et professions, et dont deviennent passibles tous ceux qui veulent embrasser l'un de ces états."*

[“The license proper, that is the permission to do business, may be refused or withdrawn, and, frequently, it is as much a matter of police regulation as a source of public revenue. Revenue licenses are of a totally different nature. They are an impost, which extends to all callings, trades and professions, and all who wish to embrace any of such occupation are liable to them.”]

The power given to the Provincial Legislatures to grant licenses, relates to the class of revenue licenses, and not to that of regulation licenses, as is shown by the very terms of the 9th sub-section, which are as follows:

“Shop, saloon, tavern, auctioneer, and other licenses in order to the raising of a revenue for provincial, local or municipal purposes.”

Therefore the license duties which I proposed to impose upon the commercial corporations in question had not an object of regulation. The text of the resolutions did not say that these corporations should not have the right to do business, without having obtained a license.

The license was only used as a means of levying the duty, and the companies were only liable to a fine in default of their procuring one, without being, in any way, fettered in the exercise of their civil rights.

It has been asserted that the interpretation of the words “and other licenses” in sub-section 9, should be restricted to classes of subjects similar to those set forth in the sub-section. I think, on the contrary, that the words “and other licenses” should be accepted in their ordinary, grammatical and natural meaning, and be interpreted without

restriction ; and, in this, I am in accord with the Honorable Judges Ritchie and Strong of the Supreme Court.

I am convinced that this Legislature has the right, in order to the raising of a revenue for provincial purposes, to impose license duties on all callings, trades and professions.

I have recently read, in a newspaper, a summary of a consultation with a distinguished juriconsult, who is the solicitor of one of the largest banking institutions in the country. He maintains that this Legislature has no power to impose licenses upon commercial corporations of the category of those mentioned in my Budget Speech, because the interpretation of the words "and other licenses" is restricted ; and, moreover, because such imposition would be of the nature of an indirect tax. But he adds that there is no doubt that the Legislature has the right to impose direct taxes upon these corporations.

You know my views, as to the extent of the powers enjoyed by this Legislature, in virtue of the sub-section in question. There now remains to be seen in what class of taxes the license duties mentioned in my speech should be placed.

Block tells us that *direct taxes* are those which affect exclusively those upon whom they are imposed, and that *indirect taxes* are those which fall upon others than those who have paid them.

Passy calls *direct taxes* those which the taxpayer pays himself on his own account, and *indirect taxes* those which he gets repaid to him by other persons.

Cooley, in his Treatise on Taxation, defines *indirect taxes* as being those which are levied upon commodities, before they reach the consumer, and which are paid by those upon

whom they ultimately fall, not as taxes, but as part of the market price of the commodity.

What I wished to impose was a specific license duty in each case, which was to be in no wise dependent upon the amount of business done by the corporations taxed, and which could not be distributed over the various transactions of these corporations.

The license duty imposed in 1875 upon assurers, by the Act 39 Vict., Chap. 7, was, on the contrary, of the nature of an indirect tax, for, instead of obliging the assurers to pay a specific duty for a license, the Act imposed, as duty, a percentage on the premium of each policy ; and this duty, the amount whereof was thus indicated for each transaction, could be paid by the assured, with his premium.

Now, seeing that the object of direct taxation, as well as that of the imposition of license duties, is to raise the revenue required to meet the wants of the Province, and that the imposing of licenses which I contemplated, was only the mode of levy ; I see no objection to replacing this mode by imposing upon commercial corporations direct taxes, equivalent to the proposed license duties. By this means, I will attain the end I had in view, and that by means of an imposition, the validity whereof was admitted, when an opinion was pronounced against the legality of imposing license duties.

I have, therefore, amended the draft of my resolutions, instead of asking the Legislature to impose upon commercial corporations, the obligation of procuring licenses, I ask, by the resolutions which His Honor the Lieutenant-Governor recommends to the consideration of this House, that direct taxes, of the same amount as the proposed license duties, be imposed upon these corporations respectively.



It may, perhaps, be objected, that what I propose is something unusual. I hold in my hand the volume of the Laws of the State of New York, for 1880, and in it I find two Acts to levy taxes for purposes of the State, upon certain commercial corporations, and upon railway companies. I find that, in the State of Massachusetts, commercial corporations are also taxed. In these cases, the tax greatly exceeds that which I ask you to impose.

In looking over certain authors who have written upon taxation, it will also be found that such a measure is not unusual.

Hilliard tells us that the State can impose duties in accordance with the wants of the treasury, upon any corporation which derives its franchises from the Government, and upon any foreign corporation doing business within the limits of the State; and this without regard to the residence or nationality of the shareholders.

Cooley says that the Legislature may tax any kind of property, and even callings, trades and professions; and that it may, in its discretion, tax one or more classes thereof or all of them.

The latter author adds that taxes upon corporations are imposed in various forms, and, amongst others, as follows : 1, a specific tax on their franchise; 2, a tax on the property by valuation; 3, a tax on the capital stock; 4, a tax on the business done; 5, a tax on dividends or profits.

These authorities show that the taxes which I ask you to impose are, not only legal but of frequent occurrence.

I have now to explain the alterations I have made in the amount of the taxes.

## I. BANKS.

The additional tax upon each office or place of business, in places other than the cities of Montreal and Quebec, will be \$20 instead of \$50.

## II. INSURANCE COMPANIES.

Instead of the principal tax of \$500, with an additional sum of \$250 for each kind of insurance carried on, beyond one, this tax will be \$500 upon companies doing the business of life insurance only, and \$400 for companies doing other kinds of insurance, with an additional sum of \$50 for each kind of insurance carried on, beyond one.

The additional tax upon each office or place of business in places other than the cities of Montreal and Quebec, will be \$5 instead of \$50.

## III. INCORPORATED COMPANIES.

The additional tax upon each place of business, factory or workshop, in places other than Montreal and Quebec, will be \$20 instead of \$25.

## IV. INCORPORATED LOAN COMPANIES.

Instead of the principal tax upon companies with a fixed capital, of \$200, with an additional sum of \$100 for each \$500,000 of the capital, over \$500,000, this tax will be \$400, with an additional sum of \$50 for each \$1,000,000 or fraction thereof of the capital, over \$1,000,000.

## V. INCORPORATED NAVIGATION COMPANIES.

Instead of a principal tax of \$200, with an additional sum of \$100 for each \$500,000 of the capital over \$500,000, this tax will be \$100 when the capital is \$100,000 or under; \$200 when the capital is from \$100,000 to \$500,000,

with an additional sum of \$100 for each \$500,000 or fraction thereof of the capital over \$500,000.

#### VI. TELEGRAPH COMPANIES.

No alteration.

#### VII. TELEPHONE COMPANIES.

No alteration.

#### VIII. CITY PASSENGER RAILWAY COMPANIES.

No alteration.

#### IX. RAILWAY COMPANIES.

Instead of a uniform principal tax of \$20 for each mile of railway worked, this tax shall be \$20 for each mile of those railways, for the construction of which public moneys have been expended or appropriated by this province or by the late province of Canada ; and \$5 for each mile of every other railway.

The change which I make with respect to banks is for the purpose of benefiting the country parts, whence the smaller banks might otherwise withdraw their agencies.

Life Insurance Companies do a very safe business. The average death rate is so well established that profits may with certainty be relied on. But it is different with Fire and Accident Insurance Companies. They are exposed to casualties, which make the result of their operations much less secure than those of life companies. I therefore propose that a difference be made between Life Insurance and other Insurance companies. The agencies of Insurance companies outside of the two large cities are more corresponding offices than places of business and are established more for the convenience of the inhabitants of the

various localities than that of the companies themselves. This is why I propose a reduction for these offices.

There are a great many small navigation companies, which it would not be fair to tax to the same extent as large companies. I therefore propose that the tax upon navigation companies, with a capital under \$100,000, be reduced by one-half.

It would not be fair, either, to make railway companies which have received no subsidy, pay the same amount as those which have received one. It is for this reason that I reduce the tax upon railways, in the former category, from \$20 to \$5.

All these taxes are either specific or are based upon the amount of the capital stock of the corporations affected thereby.

The tax is not calculated upon the amount of business done by each corporation, and has no reference to their various transactions. It is not possible for the corporations to distribute it over these various transactions, so as to get it repaid by those with whom they do business. It will be borne by the corporations themselves, and is thus, essentially, a *direct tax*. I can therefore affirm that it is perfectly legal and will be maintained.

I move that the House do now resolve itself into Committee of the Whole, to take into consideration the resolutions recommended by His Honor the Lieutenant-Governor, respecting the imposing of direct taxes upon certain commercial corporations.\*

---

\* See Appendix D.



**APPENDIX A.**

---

**STATEMENTS**

PREPARED BY THE

PROVINCIAL TREASURER.

---

QUEBEC, 27th MAY, 1882.

---

**STATEMENT of Receipts and Expenditure on account of Consolidated Revenue Fund and Consolidated Railway Fund, from 1st July, 1867, to 30th June, 1881, excluding receipts from Temporary Loans and their Repayments.**

[illegible]

1876-77	2,433,111 65	2,514,147 30	81,035 65	407,160 01	237,301 11	3,481,670 24
1877-78	2,026,324 19	2,711,838 90	685,514 71	482,661 92	.....	2,610,504 82
1878-79	(1) 2,694,697 86	2,817,821 50	123,123 64	727,697 02	132,783 75	2,303,749 06
						4,185,333 33
						2,855,000 00

1879-80	(2) 2,496,577 19	2,979,694 32	483,117 13	576,754 77	392,522 72	419,805 33	60 25	501,490 39
1880-81	3,127,931 17	3,570,970 82	442,139 65	897,752 20	802,570 07	673,768 57	3,792,253 47	2,422,794 70
Total \$	29,580,334 45	30,295,443 41	1,182,632 46	1,474,738 42	1,327,876 54	1,195,414 96	14,529,730 38	14,034,250 19

(1) 1878-79 ..... Including \$500,000 00 from Dominion, on account of settlement.  
 (2) 1879-80 ..... Including \$125,000 00 do do

\$ 625,000 00

#### MEMORANDUM SHOWING DEFICIT ON 30TH JUNE, 1881.

Total receipts Consolidated Revenue Fund.....	\$29,580,334 45	{	Excess of Payments.....	\$715,105 96
Do payments do .....	\$30,295,440 41			
Total receipts Consolidated Railway Fund.....	\$14,529,730 38	{	Excess of Receipts.....	\$485,480 19
Do payments do .....	\$14,034,250 19			
			Excess of Payments over Receipts	\$219,635 77

Quebec, 15th May, 1882.



## STATEMENT shewing the yearly payments to Subsidized

NAME OF RAILWAYS.	To 30th June, 1874.	To 30th June, 1875.	To 30th June, 1876.	To 30th June, 1877.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Levis and Kennebec.....		108,300 00		75,738 00
International.....		68,400 00	37,976 25	25,906 50
Quebec Central.....		163,400 00		
Montreal, Portland and Boston.....		10,000 00	3,300 00	15,412 46
Waterloo and Magog.....			15,812 50	26,937 50
South Eastern.....	137,880 00	2,150 00	97,806 88	75,904 99
Missisquoi Valley.....				3,990 00
St. Lawrence and Lake Champlain Junction.....			28,000 00	54,650 00
Quebec and Lake St. John.	48,171 20			
Montreal and Laurentian..			1,125 00	
Baie des Chaleurs. Ex- penses of exploration...		7,142 81	5,698 14	
Quebec Frontier. Expen- ses of exploration.....			6,027 00	
St. Jérôme Branch. Ex- penses of exploration...				
Total Payment to Subsi- dized Railways.....	\$186,051 20	359,392 81	195,745 77	278,539 45
Quebec, Montreal, Ottawa and Occidental.....		650,706 19	1,322,055 01	3,203,130 79
Total Payment to Rail- ways.....	\$186,051 20	1,010,099 00	1,517,800 78	3,481,670 24

Quebec, 15th May, 1881.

## 2.

and Government Railways to 30th April, 1882.

To 30th June, 1877.	To 30th June, 1878.	To 30th June, 1879.	To 30th June, 1880.	To 30th June, 1881.	To 30th April, 1882.	TOTAL.
\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
5,738 00	21,069 65	517 35	1,000 00	10,875 00	.....	217,500 00
25,906 50	82,640 50	128,296 75	.....	25,510 00	.....	368,730 00
.....	141,550 00	68,850 00	53,160 00	46,790 79	.....	473,750 79
15,412 46	58,098 03	31,819 38	20,714 74	40,237 39	30,500 00	210,082 00
26,937 50	43,700 00	.....	.....	.....	.....	86,450 00
75,904 99	.....	95,000 00	64,398 13	23,867 10	.....	497,007 10
3,990 00	20,403 63	17,256 75	.....	2,192 12	.....	43,842 50
54,650 00	38,000 00	61,028 00	56,088 00	12,514 00	.....	250,280 00
.....	.....	.....	38,000 00	51,480 00	43,130 00	180,781 20
.....	55,875 00	.....	.....	3,000 00	.....	60,000 00
.....	.....	.....	.....	.....	.....	12,840 95
.....	.....	.....	.....	.....	.....	6,027 00
.....	3,150 00	.....	.....	.....	.....	3,150 00
78,539 45	464,486 81	402,768 23	233,360 87	216,466 40	73,630 00	2,410,441 54
03,130 79	2,146,108 01	1,900,980 83	268,129 52	2,206,328 30	837,391 73	12,534,830 38
81,670 24	2,610,594 82	2,303,749 06	501,490 39	2,422,794 70	911,021 73	14,945,271 92

## NO. 3

STATEMENT of the result of the working of the Quebec, Montreal,  
Ottawa and Occidental Railway, to the 30th April, 1882.

YEAR.	Surplus.	Deficit.	BALANCE.
	\$ cts.	\$ cts.	\$ cts.
1879.....	30,942 69	.....	.....
1880.....	.....	27,282 61	.....
1881.....	128,801 50	.....	.....
{ 1882 :			
{ 10 months.....	210,517 54	.....	.....
	370,261 73	27,282 61	342,979 12

MEMO : The result of the 10 months of 1881-82, would give \$252,621.05, for the present fiscal year, which would make the profits on the working of the Railway to 30th June, 1882, \$385,082.63.

Quebec, 15th May, 1882.

## NO. 4

## STATEMENT of Deficits since 1st July, 1877.

YEAR.	With special amounts included in Receipts.	Without special amounts being included in Receipts.	REMARKS.
	\$ cts.	\$ cts.	
1878.....	685,514 71	685,514 71	Average of the four years— \$589,723.78.
1879.....	123,123 64	623,123 64	
1880.....	483,117 13	608,117 13	
1881.....	442,139 65	442,139 65	
	Total.....	\$2,358,895 13	

Quebec, 15th May, 1882.

## ESTIMATE of Receipts and Ordinary Expenditure of the Province

RECEIPTS.	\$ cts.
<b>DOMINION :</b>	
Subsidy.....\$ 889,254 80	
Specific Grant.....70,000 00	
Interest on Trusts.....55,459 32	
	1,014,712 12
<b>COMMON SCHOOL LANDS :</b>	
Interest payable by Ontario.....	25,000 00
<b>CROWN LANDS :</b>	
Sales, Timber dues, &c.....	717,778 00
<b>LICENSES :</b>	
Hotels, Shops, &c.....	250,000 00
<b>JUSTICE :</b>	
Law Stamps.....\$ 180,000 00	
Registration Stamps.....20,000 00	
Law Fees.....10,000 00	
Building and Jury Funds.....20,000 00	
Stamps, &c., under 39 Vic., Chap. 8.....5,000 00	
Reformatory Schools.....5,000 00	
Gaol Guards.....2,400 00	
Fines.....1,000 00	
Montreal Court House.....8,000 00	
	251,400 00
<b>PUBLIC OFFICERS :</b>	
Percentage on Fees.....\$ 8,000 00	
Percentage on Renewals.....1,500 00	
	9,500 00
<b>LEGISLATION :</b>	
Fees on Private Bills.....	5,000 00
<b>OFFICIAL GAZETTE :</b>	
Notices and Advertisements, &c.....	19,800 00
<b>ASYLUMS :</b>	
Municipal Contributions.....\$ 10,000 00	
Fees paid by Patients.....1,000 00	
	11,000 00
<b>PUBLIC BUILDINGS :</b>	
Rents, &c.....	1,000 00
<b>CASUAL REVENUE :</b>	
Commissions, Copies, &c.....	2,000 00
<b>PENSION FUND :</b>	
Contribution by Employees.....	8,000 00
<b>INTEREST :</b>	
Judicial and other Deposits, &c.....	13,000 00

5.

of Quebec, for the fiscal year commencing on the 1st July, 1882.

cts.	PAYMENTS.	\$ cts.
	<b>PUBLIC DEBT :</b>	
	Interest.....\$ 801,021 09	
	Sinking Fund..... 77,087 57	
	Management and Exchange..... 6,823 87	
		884,932 53
	<b>LEGISLATION :</b>	
	Legislative Council.....\$ 34,270 00	
	Legislative Assembly..... 124,167 00	
	Library..... 3,000 00	
	Elections..... 3,000 00	
	Clerk of the Crown in Chancery..... 800 00	
	Printing, &c..... 4,000 00	
	Law Clerk's Office..... 3,600 00	
	Publishing Debates..... 2,500 00	
		175,337 00
	<b>CIVIL GOVERNMENT :</b>	
	Salaries and Contingencies.....	201,409 00
	<b>JUSTICE :</b>	
	Salaries and Contingencies.....\$ 369,912 00	
	Police..... 16,068 00	
	Reformatories, &c..... 43,000 00	
	Inspection of Public Offices..... 11,000 00	
		439,980 00
	<b>PUBLIC INSTRUCTION :</b>	
	Superior Education.....\$ 78,410 00	
	Common Schools..... 155,000 00	
	Schools in Poor Municipalities..... 6,000 00	
	Normal Schools..... 42,000 00	
	Inspection..... 28,745 00	
	Superannuated Teachers..... 8,000 00	
	Prizes..... 4,500 00	
	Schools for the Deaf and Dumb..... 13,000 00	
	Council of Public Instruction..... 1,500 00	
	Polytechnic School..... 1,000 00	
	Commercial College, Varennes..... 500 00	
	Journals of Public Instruction..... 1,000 00	
	Rebuilding Rimouski College..... 2,000 00	
	Rebuilding Ste. Thérèse College..... 2,000 00	
	Rebuilding St. Francis College..... 1,000 00	
		344,655 00
	<b>SCIENTIFIC AND LITERARY INSTITUTIONS :</b>	
	Medical Faculties at Montreal.....\$ 3,000 00	
	Societies in Montreal..... 2,350 00	
	Societies in Quebec..... 3,250 00	
	Law Reports..... 3,060 00	
	<i>Le Naturaliste Canadien</i> ..... 400 00	
	Transcribing Archives..... 2,460 00	
	Rifle Association..... 500 00	
	Institution for animal vaccine..... 300 00	
		15,260 00



## the Province of Quebec.—Continued.

cture of

cts.	PAYMENTS.	\$ cts.
	<b>ARTS AND MANUFACTURES :</b>	
	Board of Arts and Manufactures.....	10,000 00
	<b>AGRICULTURE :</b>	
18,500 00	Societies.....\$ 50,000 00	
1,000 00	Council of Agriculture.....	4,000 00
	Journals of Agriculture.....	7,400 00
8,000 00	Agricultural and Veterinary Schools.....	6,100 00
	Horticultural and Pomological Societies.....	1,250 00
	Butter and Cheese Factories.....	2,600 00
75,000 00	Beet-sugar Factories.....	14,000 00
	Sundries.....	4,000 00
		89,350 00
	<b>IMMIGRATION AND REPATRIATION :</b>	
	Salaries and Contingencies.....	15,000 00
80,000 00	<b>COLONIZATION :</b>	
23,800 00	Roads.....\$ 65,000 00	
	Societies.....	5,000 00
	Bridge at Lacolle.....	2,000 00
	Bridge at St. Nicholas.....	2,000 00
		74,000 00
	<b>PUBLIC WORKS AND BUILDINGS :</b>	
	Rents, Insurance, Repairs, &c.....\$ 131,874 00	
	Repairs, &c., chargeable to Building and Jury Funds.....	29,407 00
		161,281 00
	<b>CHARITIES :</b>	
	Asylums.....\$ 232,000 00	
	Sundry Institutions.....	52,280 00
	Reformatory Schools.....	6,000 00
	Industrial Schools.....	9,500 00
		299,780 00
	<b>MISCELLANEOUS :</b>	
	Miscellaneous generally.....\$ 30,000 00	
	Pensions.....	10,000 00
		40,000 00
	<b>CHARGES ON REVENUE :</b>	
	Registration service.....\$ 30,993 00	
	Surveys.....	40,000 00
	General Expenses—Crown Lands.....	68,042 00
	Revenue Police.....	6,000 00
	Stamps, Licenses, &c.....	10,000 00
	Quebec Official Gazette.....	13,200 00
		168,235 00
	<b>MUNICIPALITIES FUND :</b>	
	C. S. L. C., Chap. 110, Sec. 7.....	4,000 00
	Surplus.....	\$ 2,923,219 53
		11,270 59
84,490 12		\$ 2,934,490 12



## NO. 6.

STATEMENT of Subsidized and Government Railways to 30th April, 1882, showing the balance of unearned Subsidies

Names of Railway Companies entitled to a Subsidy.	Number of Miles upon which the Subsidy is payable.	Subsidy per mile.	Division of the Subsidy of the Chateaux Railway.		Total of Subsidy granted.	Amount paid.	Balance of Subsidy unearned.
			\$	cts.			
Levis and Kennebec.....	90	4,000 00	63,947	35	423,947 35	217,500 00	\$ cts. 206,447 35
International .....	80	4,000 00	75,315	80	395,315 80	368,730 00	26,585 80
Quebec Central.....	99 $\frac{592}{328}$	4,000 00	73,894	75	473,750 79	473,750 79	.....
Montreal, Portland and Boston.....	56	4,000 00	.....	.....	224,000 00	210,082 00	13,918 00
Waterloo and Magog.....	43	4,000 00	.....	.....	172,000 00	86,450 00	85,550 00
South Eastern (exclusive of L' Avenir Branch)	140	{ 3,735 67 1,000 00	56,842	10	497,007 10	497,007 10	.....
Missisquoi Valley.....	56	2,500 00	.....	.....	140,000 00	43,842 50	96,157 50
St. Lawrence and Lake Champlain Junction.	100	4,000 00	.....	.....	400,000 00	250,280 00	149,720 00
Quebec and Lake St. John.....	150	4,000 00	.....	.....	600,000 00	180,781 20	419,218 80
Montreal and Laurentian.....	15	4,000 00	.....	.....	60,000 00	60,000 00	.....
Bate des Chaleurs (Exploration).....	.....	.....	.....	.....	12,840 95	12,840 95	.....
Quebec Frontier (Exploration).....	.....	.....	.....	.....	6,027 00	6,027 00	.....
St. Jérôme Branch (Exploration).....	.....	.....	.....	.....	3,150 00	3,150 00	.....
Pacific and Pontiac Junction.....	85	6,000 00	.....	.....	510,000 00	.....	510,000 00
Totals.....	914 $\frac{328}{328}$	.....	.....	.....	3,918,038 99	2,410,441 54	\$1,507,597 45
Quebec, Montreal, Ottawa and Occidental Railway.....	.....	.....	.....	.....	.....	12,534,830 38	.....
	.....	.....	Total Payments.....		.....	\$14,945,271 92	.....

Quebec, 15th May, 1882.

Memo.—Since the above Statement was prepared, the subsidy to the Quebec and Lake St. John Railway has been extended to cover 170 miles, and increased to \$5,000 per mile, giving an additional subsidy of \$250,000, and making the balance of subsidies unearned—\$1,757,597.45.

Quebec, 27th May, 1882.

## NO. 7.

## STATEMENT of the Liabilities of the Province of Quebec, 30th April, 1882.

PARTICULARS.	\$ / cts.
<b>I.—FUNDED DEBT.</b>	
1. Balance of the Loan of 1874, of \$3,893,333 33.....	\$3,698,666 67
2. Balance of the Loan of 1876, of 4,185,333 33.....	4,059,773 33
3. Loan of.....1878, of 3,000,000 00.....	3,000,000 00
4. Balance of the Loan of 1880, of 4,275,853 33.....	4,213,073 33
	14,971,513 33
<b>II.—TEMPORARY LOANS.</b>	
1. Bank of Montreal.....	\$ 600,000 00
2. Quebec Central Railway Company.....	539,202 53
	1,139,202 53
<b>III.—Q. M. O. &amp; O. RAILWAY.</b>	
1. Land purchases.....	\$ 199,737 30
2. Estimate of amount of outstanding claims, exclusive of any amount that may be payable under arbitration to Messrs. McGreevy and Macdonald.....	100,000 00
	299,737 30
<b>IV.—RAILWAY SUBSIDIES.</b>	
Balance of Subsidies to Railways, not yet earned.....	1,507,597 45
<b>Total.....</b>	<b>\$ 17,918,050 61</b>

Quebec, 15th May, 1882.

MEMO.—Since the 30th April, 1882, the balance of subsidies to Railways, not yet earned, has been increased to \$1,757,597.45, by the additional grant of \$250,000 to the Quebec and Lake St. John Railway.

Quebec, 27th May, 1882.

Quebec, 15th May, 1882.  
 MEMO.—Since the above Statement was prepared, the subsidy to the Quebec and Lake St. John Railway has been extended to cover 170 miles, and increased to \$5,000 per mile, giving an additional subsidy of \$250,000, and making the balance of subsidies unearned \$1,757,597.45.  
 Quebec, 27th May, 1882.

## NO. 8.

STATEMENT of the Cost of Construction of the Quebec, Montreal,  
Ottawa and Occidental Railway.

PARTICULARS.	\$	cts.
<b>1. PAYMENTS AND AMOUNT DUE BY THE GOVERNMENT.</b>		
Amount paid from Consolidated Railway Fund, to 30th April, 1882.....	\$12,534,830	38
Amount due on land purchased.....	199,737	30
		12,734,567 68
<b>2. MUNICIPAL CONTRIBUTIONS.</b>		
Payment by Montreal and Quebec, prior to the date on which the Government assumed the Railway :		
Montreal.....	\$ 346,644	62
Quebec .....	143,000	00
	\$ 489,644	62
Value of the Quebec Gate Barracks Property.....	150,000	00
		639,644 62
Total expended.....	\$ 13,374,212	30
<b>3. ESTIMATE OF WORK AND OUTSTANDING CLAIMS.</b>		
Estimate of the amount required to complete St. Andrew's Street, to extend the Road to deep water on "Louise" embankment, and to re- move the line from Prince Edward Street.....	\$ 220,000	00
Amount payable by the Government for outstand- ing claims, notwithstanding the sale, not in- cluding any amount which may become pay- able under arbitration to Messrs. McGreevy and Macdonald.....	100,000	00
		320,000 00
Total.....	\$13,694,212	30

Quebec, 15th May, 1882.

## NO. 9.

STATEMENT showing the estimated requirements of the Provincial Treasury on 1st July, 1882.

PARTICULARS.	\$	cts.
CONSOLIDATED REVENUE FUND.		
1. Deficit on 1st July, 1881.....	\$715,105	96
2. Estimated surplus of 1882.....	50,000	00
		665,105 96
CONSOLIDATED RAILWAY FUND.		
1. Deficit on 30th April, 1882.....	\$382,915	58
2. Estimate of work, &c., payable by the Government, notwithstanding the sale of the Railway; not including any amount which may become payable under arbitration to Messrs. McGreevy and Macdonald.....	100,000	00
3. Balances due on land bought for Q. M. O. & O. Railway.....	199,737	30
		682,652 88
Total.....	\$	1,347,758 84

MEMO: The sum of \$220,000, estimate of works on the railway at Quebec, is not included in the above, as this amount will be paid either with the subscription of the City of Quebec or by the North Shore Railway Company.

Quebec, 15th May, 1882.

## NO. 10.

MEMO: Showing the net amount realized by the sale of the Quebec, Montreal, Ottawa and Occidental Railway, under the two contracts ratified by the Legislature.

PARTICULARS.	\$	cts.
I.		
SALE OF THE WESTERN PORTION TO THE CANADIAN PACIFIC RAILWAY CO.		
Price of Railway.....	\$ 4,000,000	00
Less, amount to be applied to the construction of works in and near Montreal.....	400,000	00
		3,600,000 00
Payable as follows :		
1st March, 1883.....	\$ 100,000	
1st do 1884.....	100,000	
1st do 1885.....	100,000	
1st do 1886.....	100,000	
1st do 1887.....	100,000	
1st do 1888.....	100,000	
After the 4th March, 1902, on notice of 6 months.....	3,000,000	
	<u>\$ 3,600,000</u>	
II.		
SALE OF THE EASTERN PORTION TO THE NORTH SHORE RAILWAY CO.		
Price of Railway.....	\$ 4,000,000	00
		4,000,000 00
Payable as follows :		
On delivery of Railway.....	\$ 500,000	
After one year from delivery, on notice of 6 months.....	500,000	
After five years from delivery, on notice of 1 year.....	3,000,000	
	<u>\$ 4,000,000</u>	
N.B.—If notice be not given, the last two amounts are payable at the expiration of 20 years.		
Net proceeds.....		\$ 7,600,000 00

Quebec, 15th May, 1882.

## APPENDIX B.

### 45 VIC., CAP. XXI.

An Act appropriating the price of the Quebec, Montreal, Ottawa and Occidental Railway, to the payment of the consolidated debt of the province.

*(Assented to 27th May, 1882.)*

**H**ER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

**1.** The price of the sale of the two sections of the Quebec, Montreal, Ottawa and Occidental Railway, shall be appropriated to the payment of the consolidated debt of the province.

**2.** This price shall be paid into the funds created for the redemption of the loans effected under the provisions of the acts 37 Victoria, chap. 2; 39 Victoria, chap. 4, and 41 Victoria, chap. 1.

**3.** The sum of three million dollars, payable according to the conditions of the contract of sale of the Western Section, by the Canadian Pacific Railway Company, after six months notice or after the expiration of twenty years, shall be applied to the payment of the loan of three million dollars, made under the provisions of the act 41 Victoria, chap 1, which will complete the sinking fund created for the redemption of that loan.

**4.** The sum of three million five hundred thousand dollars, payable at stated terms, according to the conditions of the contract of sale of the Eastern Section, by the North Shore Railway Company, shall be applied to the payment of so much of the loan made under the act 39 Victoria,

chap. 4, and the sum of five hundred and fifty nine thousand seven hundred and seventy-three dollars and thirty-three cents, shall be taken from the balance of the price of the sale of the two sections, to complete the sinking fund created for the redemption of that loan.

**5.** The balance of the price of the sale of the two sections, shall be applied to the payment of so much of the loan made in virtue of the act 37 Victoria, chap. 2, and shall form part of the sinking fund created for the redemption of that loan.

**6.** The Treasurer of the Province shall, from time to time, in conformity with the instructions that may be given him by the Lieutenant-Governor in Council, invest all sums that shall be paid on account of the price of sale; and such investments shall belong to that sinking fund of which the moneys they represent form part.

**7.** The interest upon the balances in the hands of the purchasers, and those upon the investments which shall be made by the Treasurer, of the sums which shall be paid on account of the price, shall be applied to the payment of the interest upon the loans above-mentioned, according to the appropriation of the capital.

**8.** The Treasurer of the Province is prohibited from employing, even temporarily, the money arising from the price of the sale of the Quebec, Montreal, Ottawa and Occidental Railway, and the interest to be derived therefrom for any other purpose than that above enacted.

**9.** An account shall be rendered to Her Majesty of the regular investment and employment of the sums arising from the price of the sale of the Quebec, Montreal, Ottawa and Occidental Railway, as well as of the interest thereon.

**10.** This act shall come into force on the day of its sanction.

## APPENDIX C.

### 45 VIC., CAP. XVIII.

An Act authorising the issue of Provincial Debentures.

(*Assented to 27th May, 1882.*)

**W**HEREAS it is necessary and expedient to provide for the payment of the unfunded debt of the province, of certain claims resulting from the construction of the Quebec, Montreal, Ottawa and Occidental Railway, and of the subsidies to which certain railways may become entitled, and also for the completion of the Departmental and Parliamentary Buildings; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:—

**1.** The Lieutenant-Governor in Council may authorize the Provincial Treasurer to procure money for the uses of the Province, to an amount not exceeding three million dollars, by means of bonds or debentures to be issued on the credit of the Province, and to be disposed of, from time to time, as the requirements of the Province may demand, and as opportunity may offer.

**2.** The proceeds of the issue of such bonds or debentures shall be applied to the payment of the unfunded debt of the Province, of claims resulting from the construction of the Quebec, Montreal, Ottawa and Occidental Railway, and of the subsidies which may become payable to railway companies under grants made by the Legislature, and to the construction of the Departmental and Parliamentary Buildings.



3. The bonds or debentures shall be issued for sums of five hundred dollars each, and shall bear interest, from the date of their issue, at the rate of five per centum per annum, payable semi-annually on the first day of January and of July in each year, at the place in the Province at which the bonds or debentures may be severally registered, as hereinafter provided.

4. The bonds or debentures shall all bear date the first of July, one thousand eight hundred and eighty-two, and after the expiration of thirty years from that date shall be redeemable at all times, at the option of the Government of the Province. The Provincial Treasurer shall give notice in the *Quebec Official Gazette* of the intention of the Government to redeem the bonds or debentures; and from the date of the semi-annual payment of interest, following the expiration of a year from the publication of such notice, on which day the bonds or debentures shall become payable, interest shall no longer accrue on the same.

5. The bonds or debentures shall be issued in the form and in accordance with the conditions which, in the interest of the Province, the Lieutenant-Governor in Council shall deem expedient to prescribe.

6. The bonds or debentures (save in the case hereinafter provided), shall be payable to order and shall be registered in books kept for that purpose at such places as may be prescribed by the Provincial Treasurer; and all transfers thereof shall be made to order and shall be entered in the register in which the bonds or debentures transferred have been registered. Any holder of a bond or debenture may cause the registration thereof to be transferred from the register kept in any place to that kept in some other place. All details, respecting the registration and transfer of the bonds or debentures not provided for by this act, may be

provided for by order of the Lieutenant-Governor in Council.

7. Nevertheless, the holder of any registered bond or debenture may claim and obtain in exchange therefor, one payable to bearer, with interest coupons thereto attached; and the holder of such bond or debenture may exchange the same for one payable to order. The Lieutenant-Governor in Council may determine the conditions, the manner and the cost of effecting such exchange.

8. This Act shall come into force on the day of its sanction.

**APPENDIX D.**

## 45 VIC., CAP XXII.

An Act to impose certain direct taxes on certain commercial corporations.

*(Assented to 27th May, 1882)*

**H**ER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

1. In order to provide for the exigencies of the public service of this Province, every Bank carrying on the business of banking in this province, every Insurance Company accepting risks and transacting the business of insurance in this province, every Incorporated Company carrying on any labor, trade or business in this province, every incorporated Loan Company making loans in this province, every incorporated Navigation Company running a regular line of steamers, steamboats or other vessels in the waters of this province, every Telegraph Company working a telegraph line, or part of a telegraph line, in this province, every Telephone Company working a telephone line in this province, every City Passenger Railway or Tramway Company working a line of railway or tramway in this province, and every Railway Company working a railway or part of a railway in this province, shall, annually, pay the several taxes mentioned and specified in section three of this act, which taxes are hereby imposed upon such commercial corporations respectively.

. The term Bank includes Savings Banks; the term Insurance Company comprises Life, Fire, Inland Marine, Guarantee and Accident Insurance Companies, but does

not include Mutual Insurance Companies organized under the laws of this province; the term Incorporated Loan Company includes Building Societies; and the term Incorporated company does not include companies publishing newspapers or periodicals.

**3.** The annual taxes, imposed upon and payable by the commercial corporations mentioned and specified in section one of this act shall be as follows :

#### I. BANKS.

(a). Five hundred dollars, when the paid up capital of the bank is five hundred thousand dollars or less than that sum; one thousand dollars when the paid up capital is from five hundred thousand dollars to one million dollars; and an additional sum of two hundred dollars for each million or fraction of a million dollars of the paid up capital from one million dollars to three million dollars; and a further additional sum, of one hundred dollars for each million or fraction of a million dollars of the paid up capital over three million dollars.

(b). An additional tax of one hundred dollars for each office or place of business in the Cities of Montreal and Quebec, and of twenty dollars for each office or place of business in every other place.

#### II. INSURANCE COMPANIES.

(a). An insurance company carrying on solely the business of life insurance, five hundred dollars.

(b). An insurance company carrying on any other kind of insurance, four hundred dollars, and when it combines two or more kinds of insurance, including life insurance, an additional sum of fifty dollars for each kind of insurance carried on beyond one.

(c). An additional tax of one hundred dollars for each

office or place of business in the Cities of Montreal and Quebec, and of five dollars for each office or place of business established in every other place.

### III. INCORPORATED COMPANIES.

(a). One hundred dollars, with an additional sum of fifty dollars for each two hundred and fifty thousand dollars or fraction of two hundred and fifty thousand dollars of the paid up capital of the company over two hundred and fifty thousand dollars.

(b). An additional tax of fifty dollars for each place of business, factory or workshop in the Cities of Montreal and Quebec, and of twenty dollars for each place of business, factory or workshop in every other place.

### IV. INCORPORATED LOAN COMPANIES.

(a). A company with a fixed capital, four hundred dollars, with an additional sum of fifty dollars for each million dollars or fraction of one million dollars of the paid up capital of the company, over one million dollars.

(b). A company without a fixed capital, one hundred dollars.

(c). An additional tax of one hundred dollars for each office or place of business in the cities of Montreal and Quebec, and of fifty dollars for each office or place of business in every other place.

### V. INCORPORATED NAVIGATION COMPANIES.

(a). One hundred dollars when the paid up capital is one hundred thousand dollars or less; two hundred dollars when the paid up capital is from one hundred thousand dollars to five hundred thousand dollars; with an additional sum of one hundred dollars for each five hundred thousand dollars or fraction of five hundred thousand dollars, of the paid up capital of the company, over five

hundred thousand dollars ; but not to exceed a maximum of one thousand dollars.

#### VI. TELEGRAPH COMPANIES.

- (a). One thousand dollars.
- (b). An additional tax of five dollars for each office.

#### VII. TELEPHONE COMPANIES.

- (a). Five hundred dollars.
- (b). An additional tax of one hundred dollars for the principal station in the cities of Montreal and Quebec, and of fifty dollars for the principal station in every other place.

#### VIII. CITY PASSENGER RAILWAY OR TRAMWAY COMPANIES.

- (a). Fifty dollars for each mile of railway or tramway worked.

#### IX. RAILWAY COMPANIES.

- (a). The railway companies mentioned in the Schedule of this act, twenty dollars for each mile of railway worked.
- (b). All other railway companies, five dollars for each mile of railway worked.

4. Such taxes shall be payable on the first juridical day of the month of July in each year.

5. The principal tax, hereby imposed, shall be paid annually to the license inspector of the revenue district in which the commercial corporation has its chief or head office ; and, in the event of its not having a chief or principal office in this province, to the license inspector for the revenue district of Quebec.

The additional tax shall be paid annually to the license inspector of the revenue district in which the office, place of business, factory or workshop, for which it is payable, is situated.

6. If any such annual tax be not paid, the same may be recovered with legal interest thereon from the date upon which such tax became due, by an action brought in his own name on behalf of Her Majesty by the license inspector of the revenue district in which such tax was payable.

7. All actions for the recovery of such taxes shall be brought in the judicial district in which they are payable, either before the Circuit Court or the Superior Court, according to the competency of the court with reference to the amount claimed.

8. Costs shall not be adjudged against the license inspector in any action instituted by him under this Act; but on the recommendation of the tribunal, the provincial treasurer may, in his discretion, pay to the commercial corporation in favor of which judgment has been rendered, the costs to which he may deem it equitably entitled.

9. The clerks or secretary-treasurers of every municipal corporation shall annually, on or before the first day of June, return to the provincial treasurer the names of all commercial corporations of the nature of those mentioned in this act, established or doing business within their respective municipalities, specifying the number of offices, places of business, factories or workshops of each; and in default of so doing they shall severally be liable to a fine of twenty-five dollars, and, in default of payment of such fine, to an imprisonment of twenty-five days.

10. The taxes imposed by this act shall form part of the consolidated revenue fund of the province.

11. Any proportion of such taxes may be applied, from time to time, by the provincial treasurer, under the direction of the Lieutenant-Governor in Council to the payment of the expenses incurred for the carrying out of this act.

**19.** This act shall come into force on the day of its sanction.

---

### SCHEDULE.

*Railway Companies towards the construction of whose railways public moneys have been expended or have been appropriated, either by this Province or by the heretofore Province of Canada.*

---

Canadian Pacific Railway Company, for that portion, in the Province, of its railway extending from Montreal to St. Jérôme, Aylmer and Ottawa City, together with the St. Lin and St. Eustache Branches.

Grand Trunk Railway Company of Canada for that portion of its railway in the Province.

Montreal Portland and Boston Railway Company.

North Shore Railway Company.

The International Railway Company.

The Lake Champlain and St. Lawrence Junction Railway Company.

The Missisquoi Valley Railway Company.

The Montreal and Laurentian Colonization Railway Company.

The Pontiac Pacific Junction Railway Company, for that portion of its railway in the province.

The Quebec Central Railway Company.

The Quebec and Lake St. John Railway Company.

The South Eastern Railway Company.

The Waterloo and Magog Railway Company.



**APPENDIX E.**

---

45 VIC., CAP. XXVI.

An act respecting the building of the Court House of Quebec.

*(Assented to 27th May, 1882.)*

**H**ER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

1. It shall be lawful for the Lieutenant Governor in Council, to cause a proper Court House to be erected in the city of Quebec, on such site as may be selected, for the district of Quebec.

2. Such Court House shall contain sufficient accommodation for all the courts to be held in the city of Quebec, and for the registry office for the registration division of Quebec, and shall be erected under the superintendence of the Commissioner of Agriculture and Public Works, according to plans and estimates to be approved by the Lieutenant Governor in Council.

3. The cost of the construction of such Court House shall not be defrayed out of the Consolidated Revenue Fund of the province ; but for the purpose of defraying the same, the Lieutenant-Governor in Council may authorize the provincial treasurer to contract a loan of not more than one hundred and fifty thousand dollars. Such loan shall be raised upon debentures to be issued for that purpose; on the credit of the province, and the interest and principal thereof shall be chargeable upon the special funds hereinafter mentioned.

4. The debentures shall bear interest at the rate of five per centum per annum, payable semi-annually; and they shall be issued in the form and in such currency, and be payable in such places as the Lieutenant-Governor in Council may deem expedient to prescribe.

5. For the redemption of such debentures, a sinking fund equal to one per centum per annum on the amount of the issue shall be provided, which, added to the interest, will form an annual charge equal to six per centum per annum on the whole issue, and the debentures shall be redeemed in principal and interest, by the payment of such annuity during thirty-seven years, in semi-annual payments.

6. The debentures to be redeemed at each semi-annual payment shall be determined by the drawing of lots to be made one month before the date of each payment. Notice shall be given in the *Quebec Official Gazette*, of the numbers of the debentures drawn semi-annually, and from the date of the semi-annual payment following each such drawing, interest shall cease to accrue on the debentures so drawn, which shall become payable on the day of such semi-annual payment.

7. To provide the annuity for the payment in capital and interest of the debentures, there shall, until the redemption of such debentures, be levied upon and paid by the municipalities of the City of Quebec, of the town of Levis, and of the counties included in the District of Quebec, a yearly sum equal to six per centum per annum on the amount of the debentures issued, in the following proportions:—the City of Quebec shall pay two-thirds of such annual sum; and the corporation of the town of Levis, and the county corporations of the counties of Portneuf, Quebec, Montmorency No. one, Montmorency No. two (Island of Orleans), Levis and Lotbinière, the remaining

third, each of the said county corporations and the corporation of the town of Levis paying in proportion to the taxable real estate thereof.

8. In the month of July in each year, the Provincial Treasurer shall apportion the amount to be levied and shall determine and fix the amount of the two-thirds to be borne by the Corporation of the City of Quebec, and the share of the corporation of the town of Levis, and of each county corporation in the district of Quebec, in the third to be borne by the town of Levis and by the county municipalities; and he shall transmit a certified copy of the act of apportionment to the Sheriff of the District of Quebec. On the receipt of such act of apportionment, the Sheriff shall send forthwith to the Treasurer of the City of Quebec, and to the Secretary-Treasurer of the corporation of the town of Levis, and of each County Corporation, a notice specifying the contribution payable by their respective corporations.

9. The annual contribution, payable by the corporation of the City of Quebec, by the corporation of the town of Levis and by the county corporations in the district of Quebec, shall be payable on the first juridical day of the month of October in each year, and shall be paid to the sheriff of the district of Quebec.

10. In the event of default in the payment of such contribution by the corporation of the City of Quebec, or by the corporation of the town of Levis, or by any county corporation in the district of Quebec, the act of apportionment shall have the same effect against each corporation in default, as the writ of execution mentioned in article 1030 of the Municipal Code, and the amount of its contribution shall be levied by the sheriff from the rate-payers in the municipality in default, by an equal rate on their taxable real estate according to the valuation rolls then in force

and for collecting and enforcing such contribution and the cost of levying the same, the sheriff shall have all the powers vested in him by the Municipal Code for the execution of judgments rendered against municipal corporations.

**11.** The sheriff shall account for and pay to the provincial treasurer all sums received by him in virtue of this act; and the provincial treasurer shall keep a separate account of all such receipts and of all payments made in connection with the debentures to be issued under this act.

**12.** The Act 40 Victoria, chap. 4, is repealed.

**13.** This act shall come into force on the day of its sanction.